

Testimony In Support of Senate Bill 378

SB 378 adopts federal definitions for income tax terms not otherwise defined by Montana law. SB 378 will:

- Provide certainty to taxpayers
- Increase predictability of results and consistency of taxation between taxpayers
- Simplify administration of state taxes by reducing the amount of undefined terms
- Provide a default dictionary
- Maintain state's authority to differ from federal definitions where appropriate
- CPAs already rely on federal law for undefined state terms - bill will prevent penalties that might now apply if DOR then interprets a term differently
- Department of Revenue recognizes that most taxpayers already file their state returns as if the state were already in conformity with the federal
- Much of federal code definitions already adopted through the federal adjusted gross income
- Many states have similar provisions including Idaho, North Dakota, Oregon, Utah, Colorado, and Nebraska

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On behalf of MT Society of CPAs
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